

Washington, D.C. – Today Congressman Wally Herger (R-CA), along with Republican Leader John Boehner (R-OH), Republican Whip Eric Cantor (R-VA), Republican Conference Chair Mike Pence (R-IN), and more than 80 other members of the House Republican Conference, introduced a resolution to express the sense of the House that instituting a European-style value added tax (VAT) on top of the current U.S. tax code would be damaging to the economy and hurt job creation. Herger has served as the chair of the Anti-VAT Caucus for 4 years. Recently, when asked about the possibility of implementing a VAT, President Obama refused to take it off the table and his advisor, Paul Volcker, has argued that it was “not as toxic” as it had been in the past. The comments occurred as the Senate voted overwhelmingly to pass a similar measure expressing opposition to a VAT.

Herger said, “The fiscal year 2010 deficit is expected to approach \$1.6 trillion. Under the President’s budget, it won’t go lower than \$700 billion over the next ten years. Adding up all of these annual deficits, the national debt will more than double by the time today’s newborns reach just the 5th grade. So it comes as no surprise that the President and Congressional Democrats are looking for another way to squeeze the wallets of the American people. A European-style VAT will only further the catastrophic cycle of tax and spend government in Washington. The current Democratic leadership has shown that they cannot be trusted to manage the federal budget responsibly. Giving them access to more and more of the American people’s money is insanity.”

Boehner said, “Americans are asking, ‘where are the jobs?’ not ‘can I pay more taxes?’ The last thing we need right now is a new ‘value-added’ tax – which would raise the cost of every product made in the USA and destroy jobs - on top of the current tax system.”

Cantor commented, “Democrats have already made clear that more tax increases on income, capital gains and dividends are on the way. With Americans already facing massive tax increases from President Obama, the last thing struggling families and small business people need is a European-style ‘value-added’ tax layered on top of the current tax code, which would exacerbate our economic challenges by increasing costs and decreasing jobs. We are a nation at a crossroads, and It is up to each of us to determine what kind of country we want to be. Rather than putting an even greater squeeze on our nation’s job creators and entrepreneurs, we believe in a pro-growth strategy to create jobs and empower the American entrepreneur and small business people to thrive.”

Pence stated, " I want to commend Congressman Herger for taking the lead in standing up for the American people and saying 'no' to the VAT."